

Medicare Outpatient Prospective Payment System

INTRODUCTION

The Blue Cross and Blue Shield Association (Association) on behalf of the Health Care Financing Administration (HCFA) developed this Medicare Outpatient Prospective Payment System (OPPS) training session. The training session has been prepared to assist providers and Medicare fiscal intermediaries (FIs) with the information they will need to know in order to successfully implement the new payment system.

This session and the training publication are designed for training individuals who will in turn, train providers and FI staff in OPPS. We have provided training text, overhead slides, and reference documents to facilitate that process.

This training publication was initially produced prior to the publication of the final rule implementing Medicare's Outpatient Prospective Payment System. We have revised the training material to incorporate the best information available at the time of publication. Please refer to the final rule as published in the *Federal Register* for authoritative guidance in the new system.

This publication should not be considered an authoritative source in making Medicare Program policy determinations.

COURSE OBJECTIVES

At the end of this session participants will be able to:

- Explain (at a conceptual level) the basic components of OPPS
- Explain (at a conceptual level) how the components of OPPS interact from claim submission to finalization using program materials developed for provider training
- Understand the impact of OPPS on FI workload and work flow , as well as the impact on audit and reimbursement
- Understand the fiscal intermediary (FI) responsibilities related to OPPS provider education and anticipated provider concerns
- Understand how to use the training tools developed for this course to help address provider OPPS education

CERTIFICATION

This training course meets the Continuing Education and Training (CET) requirements of the Government Auditing Standards and should qualify for CET credit by your state Board of Accountancy, since Blue Cross and Blue Shield Association is a corporate sponsor in the state of Illinois and an approved sponsor in the National Association of State Boards of Accountancy, National Registry of CPE Sponsors (91-00149-99).



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GLOSSARY OF TERMS

APG	Ambulatory Patient Group
APASS	Arkansas Part A Standard System
APC	Ambulatory Payment Classification
ASC	Ambulatory Surgical Center
BBA	Balanced Budget Act of 1997
BBRA	Balanced Budget Refinement Act of 1999 (per OPPS PM)
CAH	Critical Access Hospital
CC	Condition Code
CCI	Correct Coding Initiative
CELIP	Claim Expansion and Line Item Pricing
CFR	Code of Federal Regulations
CMHC	Community Mental Health Center
CORF	Comprehensive Outpatient Rehabilitation Facility
CPT	Current Procedural Terminology
DME	Durable Medical Equipment
E&M	Evaluation and Management
EOMB	Explanation of Medicare Benefits
ERA	Electronic Remittance Advice
FI	Fiscal Intermediary

FISS	Fiscal Intermediary Shared System
FMR	Focused Medical Review
F.R.	Final Rule
HCFA	Health Care Financing Administration
HCPCS	HCFA Common Procedure Coding System
HHA	Home Health Agency
ICD-9-CM	International Classification of Disease, Clinical Modification
MR	Medical Review
MSN	Medicare Summary Notice
NDC	National Drug Code
OCE	Outpatient Code Editor
OPPS	Outpatient Prospective Payment System
PHP	Partial Hospitalization Program
PPS	Prospective Payment System
SPR	Standard Paper Remittance
SSA	Social Security Act
TOP	Transitional Outpatient Payment
VC	Value Code